

RESOLUTIONS OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: TRANSFER OF LOAN BY NEW BANK OF NEW ENGLAND, N.A.
AND RELATED MATTERS

WHEREAS, the Boston Redevelopment Authority (hereinafter referred to as the "Authority"), has entered into a certain Land Disposition Agreement dated December 7, 1978 with Immobiliare New England, A Limited Partnership, a Massachusetts limited partnership ("INE"), as successor by reconstitution to Immobiliare New England, a Massachusetts joint venture, as amended by First Amendment to Agreement dated as of July 12, 1984, and by Second Amendment to Agreement dated as of June 25, 1987 (as so amended, the "Old LDA"), as further amended and restated as to certain parcels of land by a certain Amended and Restated Land Disposition Agreement dated as of September 28, 1990 (said Amended and Restated Land Disposition Agreement hereinafter referred to as the "New LDA");

WHEREAS, INE entered into a certain loan dated as of May 19, 1988 with the Bank of New England, N.A. ("BNE") in the amount of \$75,000,000 (the "BNE Loan"), and entered into a certain loan dated as of May 19, 1988 with Nishimatsu Construction Co., Ltd. and The Fuji Bank, Limited in the amount of \$15,000,000, which loan was assigned to NCC America, Inc. ("NCC" and the "NCC Loan");

WHEREAS, with the approval of the Authority INE granted certain mortgages, security interests, and assignments in certain parcels of land and certain assets of the Borrower to BNE and NCC;

WHEREAS, with the approval of the Authority INE also granted certain mortgages, security interests and assignments in certain parcels of land and certain assets of the Borrower, including the rights of INE under the Old LDA, to Merrill Lynch Interfunding Inc. ("MLIF") in connection with a loan to INE dated as of July 25, 1986;

WHEREAS, MLIF or a subsidiary or other affiliate of MLIF designated by MLIF (MLIF and any such subsidiary or affiliate being hereinafter referred to as the "MLIF Entity") is contemplating further investing in the Charlestown Navy Yard by means of a purchase of the BNE Loan from BNE's successor in interest, New Bank of New England, N.A. ("New BNE") and the NCC Loan from NCC;

WHEREAS, the Old LDA requires certain payments to the Authority upon the conveyance of any condominium unit or parking space in Building 197 to an arms' length third party; and

WHEREAS, the Deed (the "Deed") from the Authority to John H. Vogel, Jr., as Trustee of Flagship Wharf Realty Trust u/d/t dated July 7, 1987 and recorded with the Suffolk Registry of Deeds in Book 13859, Page 128 (the "Grantee") dated October 27, 1987, and recorded with said Deeds in Book 14192, Page 200, incorporates these consideration obligations; and

WHEREAS, Building 197 contains 201 condominium units, 34,445 square feet of commercial condominium space and approximately 516 parking spaces;

NOW, THEREFORE, be it resolved by the Authority:

1. That the Authority hereby consents to (a) the transfer of the BNE Loan and the NCC Loan to the MLIF Entity and to any and all future transfers of any participation interests in the BNE Loan and the NCC Loan to any party or parties (the MLIF Entity and any such party or parties being collectively referred to as the "Lender") and (b) the sale of common or preferred stock in the MLIF Entity and to the offering subordinated debt by the MLIF Entity, provided, however, that the MLIF Entity shall remain under the control of or under common control with MLIF.

2. That the leasing of condominium units at Flagship Wharf Condominium in Building 197 at the Charlestown Navy Yard to third parties is permitted, and no payments will be due to the Authority with respect to said leasing. Notwithstanding the above acknowledgement concerning leasing, the Grantee remains obligated by the Deed to remit the percentage of consideration that is due upon any individual condominium or parking space sale, and is further obligated to calculate and remit upon the "Expiration Date," as defined in the Deed, the payments outlined in the Deed that are due as of said date. By way of example, such amounts, if based on four percent (4%) of residential gross sales of \$69,490,000 and gross parking sales of \$11,965,000, would approximate \$3,250,000 due the Authority from the residential and parking areas alone.

3. That the Authority hereby (a) consents to the granting of additional mortgages, security interests and assignments in and to the assets of INE, including, without limitation, assignments by INE of its rights under the Old LDA and the New LDA to the Lender, either at the time of the transfer of the BNE Loan and the NCC Loan or at any time thereafter, (b) agrees that upon the occurrence of any default under any current or

future mortgage, security interest or assignment or under any loan agreements secured thereby, the Lender shall be entitled to assume and exercise all of the rights of INE with respect to such assets, including, without limitation all rights of INE as Developer and Redeveloper under the Old LDA and under the New LDA. or either of them, and (c) agrees that, for purposes of the Old LDA and the New LDA, the Lender is and shall be recognized as (i) a Permitted Assignee, (ii) an institutional lender, (iii) an approved transferee, and (iv) a mortgagee which has provided notice to the Authority that it holds a mortgage, and (d) finally designates the Lender as the first alternate Redeveloper under the Old LDA (with respect to Building 197 and such other premises as are not covered by the New LDA) and under the New LDA (with respect to the developments rights and the premises set forth in the New LDA) if Lender should succeed to the rights of INE, whether by voluntary transfer by INE in lieu of foreclosure, by foreclosure, or otherwise.

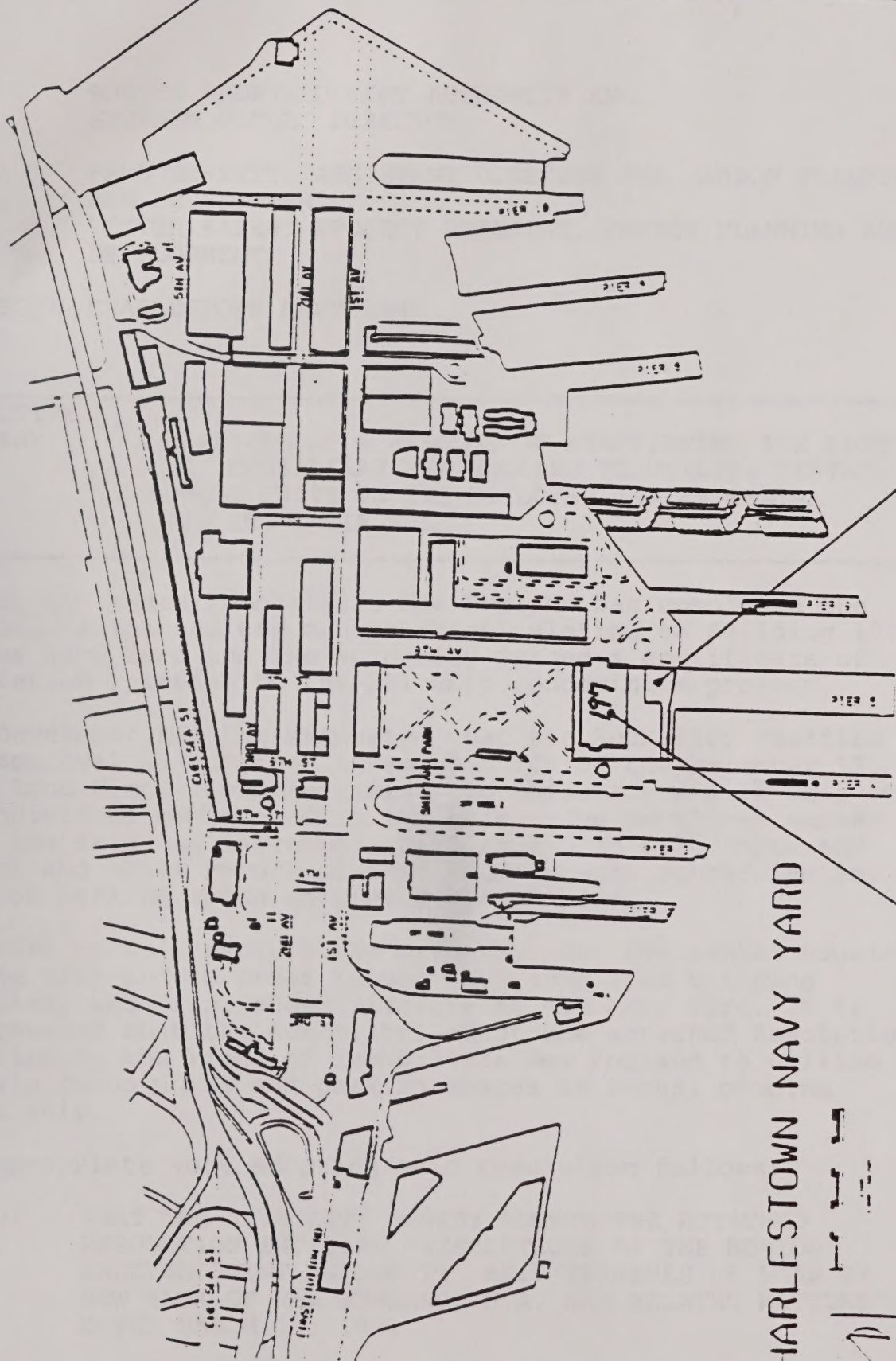
4. That the Authority hereby determines and agrees that any future transfer of any assets of INE by means of a foreclosure sale by, or a deed in lieu of foreclosure to, Lender shall be permitted without further consent by the Authority, and the provisions of the Old LDA requiring payment of 4% of Gross Sales Price upon the conveyance of condominium units in Flagship Wharf Condominium at Building 197 shall not apply to such a transfer, but shall be applicable to all arms-length third party sales and shall in any event be applicable to the calculation and payment due upon the "Expiration Date" described in the Deed.

5. That it has been brought to the Authority's attention that although Charlestown Holdings, Inc., the corporate general partner of INE ("CHI") is not a party to the New LDA, in certain prior Resolutions of the Authority, INE and CHI were both finally designated as Redeveloper of certain parcels governed by the New LDA, and that notwithstanding such ambiguity, CHI is not finally designated as Redeveloper of any parcels governed by the New LDA and INE is finally designated as Redeveloper of all parcels governed by the New LDA.

6. That the Authority hereby confirms that no right of reverter has been exercised by the B.R.A. or the United States of America with respect to any parcel within the Charlestown Navy Yard.

7. That the Director is hereby authorized for and in behalf of the Authority to execute and deliver all such documents as may be necessary to effectuate the contemplated transaction, including, but not limited to, (i) an Estoppel Certificate certifying as to matters set forth herein or as to

such other matters relating to the Old LDA, the New LDA, the BNE Loan, the NCC Loan or the rights of the Lender in connection therewith as he may deem appropriate and (ii) all such affidavits, certificates and instruments as may be required by the title insurance company providing title insurance to the Lender.



CHARLESTOWN NAVY YARD



PARCEL 1A (BUILDING #197)
(68,991 S.F.)

PARCEL 1C
(14,176 S.F.)

MEMORANDUM

MARCH 14, 1991

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: PAUL BARRETT, ASSISTANT DIRECTOR FOR HARBOR PLANNING
AND DEVELOPMENT
VICTOR KAREN, PROJECT DIRECTOR, HARBOR PLANNING AND
DEVELOPMENT

SUBJECT: CHARLESTOWN NAVY YARD

EXECUTIVE

SUMMARY: APPROVAL OF A RESOLUTION REAFFIRMING THE RIGHT
OF IMMOBILIARE NEW ENGLAND TO UTILIZE CERTAIN
CONDO UNITS IN THE BUILDING 197 AS RENTAL
PENDING THEIR SALE.

As you are aware Immobiliare New England has completed the rehabilitation and new construction relating to Building 197 in the Navy Yard and the Authority issued a certificate of completion relating to the 201 unit condominium project.

The developer has now requested that the Authority reaffirm its approval as outlined in Section 702 of the December 17, 1978 Land Disposition Agreement, to lease any unsold unit on an individual basis pending its sale. The developer agrees that the Existing Agreement shall remain in full force and effect and shall govern payment requirements concerning any unit or parking space sold as a condominium.

In order to help satisfy the pressing need for rental housing in the city and in order to get this completed building occupied, and bring added vitality to the Navy Yard, it is recommended that the Authority, adopt the attached Resolution reaffirming the right of Immobiliare New England to utilize certain condo units and parking spaces as rental pending their sale.

An appropriate vote adopting said resolution follows:

VOTED: THAT THE AUTHORITY HEREBY ADOPTS THE ATTACHED
RESOLUTION ENTITLED "RESOLUTIONS OF THE BOSTON
REDEVELOPMENT AUTHORITY RE: TRANSFER OF LOAN BY
NEW BANK OF NEW ENGLAND, N.A. AND RELATED MATTERS"
DATED MARCH 14, 1991